

Assessor's Report 2009

This year's Board of Assessors adopted the principle of the Community Standard of Living Method of Arden Assessment in use since 1980 as the basis for determining total land rent.

The "Community Standard of Living Method of Arden Assessment" defines total "Full Rental Value" of the leaseholds as the sum of town expenses (both "non-budget" in the form of county and school taxes, and "budget" as embodied in the town's budget), and the cost of administering the trust, while maintaining a "prudent reserve". This method divides full rental value by acreage of land held privately in leaseholds, such divisions determined by assessors' formulas. The formulas, which are intended to reflect the relative value of leaseholds, are based on lot size, zoning privileges and location factors (see rates and factors below).

A majority of the Board of Assessors continues to endorse the principles of real estate practice in the wider community, which we embody as a multi-tier evaluation of leasehold area. The "**A rate**" is the base rate, common to all leaseholds - the first 7,116 square feet, using as our unit the area of the smallest leasehold in Arden. The multiple domicile rate (the "**B rate**") is set this year at 80% of the "A rate". For each dwelling unit beyond the first, the leasehold is charged the B Rate for an additional 7,116 square feet but is not charged for more than the actual area of the leasehold. The "**C rate**" is applied to the amount of land on a leasehold not covered by the A or B rates. It is assessed at 40% of the "A rate." The "**D rate**" is the commercial rate, only applied to one leasehold. It continues at a surcharge of 75%, with no deduction for frontage on Marsh Road.

The Assessors modified a factor regarding Harvey Rd and Marsh Rd. All leaseholds located on these streets will receive a (-.10) factor regardless of mailing address. This is shown below.

The specific location factors are as follows.

- | | |
|---|------|
| 1. Leaseholds adjacent to Arden or Sherwood Forests | +10% |
| 2. Leaseholds fronting on Arden or Sherwood Forest by being across the street | +5% |
| 3. Leaseholds adjacent to or fronting on a communal green | +5% |
| 4. Leaseholds adjacent to Harvey Road and/or Marsh Road | -10% |
| 5. Leaseholds having driveway access only to Harvey Road and/or Marsh Road | -5% |

Notes

1. The specific location factor charges (in dollars) to be added to or subtracted from the sum of the Base Land Rent are obtained by multiplying the Base Land Rent for the leasehold by the appropriate specific location factors as given above.
2. Leaseholds having less than a 25 foot opening to the forest will not be charged a woods factor. More than that frontage to the forest will be considered a full access and charged a full factor.
- 3 Location factors 4 and 5 are not additive if both are applicable.

Based on information obtained from the Budget Committee and the Trustees, the Board of Assessors presents the following report. As a result of the unexpected 25 % increase in County taxes the villages deficit for 2009-10 will be considerably greater than expected. Fortunately the village had a surplus as of March of 2009. In creating a model for projecting needed land rent the assessors averaged the increased expense over several years.

In order to meet the 2010-11 forecast expenditures of \$606,000 and to produce a ~ 30% prudent reserve of \$180,000, the Board of Assessors has set the "A rate" for 2010-2011 at 219.00 per thousand square feet.

1) Forecast Expenditures

School & County Taxes	\$392,000
Trust Administration	38,000
Sherwood Forest Loan	16,000
Arden Town Budget	145,000
Other Expense	15,000
Total Forecast Expenditures	\$606,000

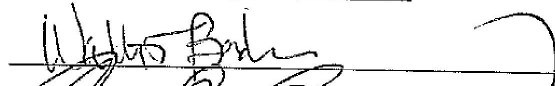


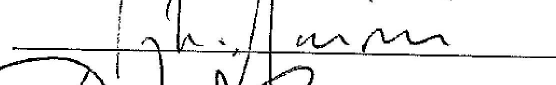

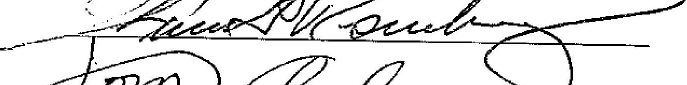
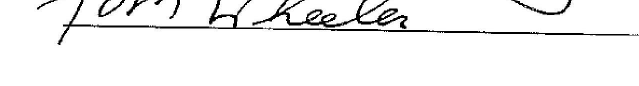
2) Forecast Revenue

Forecast Revenue from sources other than land rent	\$41,000
Total Revenue from land rent	\$546,000
Total expected revenue	\$587,000

3) Prudent Reserve

Expected difference between expenditures and revenue	\$(19,000)
Projected March 2010 prudent reserve	\$180,000
Target prudent reserve projected for March 30, 2011	\$180,000

THE 2009 BOARD OF ASSESSORS Vote on Final Report

Walter Borders		Yes
Brooke Bovard		yes
Alton Dahl		yes
Mary Marconi		No
Denis O'Regan		YES.
Warren Rosenkranz		NO
Tom Wheeler		YES

Examples:**Examples of base rentals:**

<u>Lot Size (sq ft)</u>	<u>Base Land Rent</u>
10,000	\$2,190.00
20,000	\$2,687.04
30,000	\$3,563.04
40,000	\$4,439.04

Examples of rate calculations:

1. A 20,000 sq. ft. lot containing one dwelling unit, on a village green and adjacent to a forest:

7,116 sq. ft. X \$ 219 / M sq. ft.	\$1,558.40
12884 sq. ft. X \$219 / M sq. ft. X 40%	\$1128.64
Base Land Rent	\$2,687.04
Forest Factor - \$2,552.08 / X 10%	\$268.70
Greens Factor - \$2,552.08 / X 5%	\$134.35
Total Land Rent	\$3,090.09

2. A 30,000 sq. ft. lot containing three dwelling units and adjacent to Arden Forest:

7,116 sq. ft. X \$219 / M sq. ft.	\$1,558.40
7,116 sq. ft. X 2 X \$219 / M sq. ft. X 80%	\$2493.45
8652 sq. ft. X \$219 / M sq. ft. X 40%	\$757.92
Base Land Rent	\$4,809.7
Forest Factor - \$4,809.7 X 10%	\$480.98
Total Land Rent	\$5,390.75